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How to control the damage

President Ronald Reagan's traditional luck failed triply in the crisis over the supply of arms to Iran. First, the disclosure of this covert program would have caused problems at any time. Second, publication of that information just as the Senate has fallen to the control of the Democrats guarantees these problems will be maximized — and to the president's disadvantage. Third, Atty. Gen. Edwin Meese's investigation, which has turned up the following: (1) an overcharge to Iran on the weapons shipped by Israel and (2) the diversion of the extra funds to bank accounts of the Nicaraguan "contras," has added a new bombshell.

Until that last discovery, a presidential apology to the American people would have defanged congressional investigations and put the problem behind President Reagan. But the president has decided that his decision to give arms to Iran as part of the program to gain access to less hostile members of the Khomeini regime was not a mistake. That judgment has now become clouded by the "overcharge" issue where an apology and quick action is clearly needed. What course should President Reagan steer to avoid the rocks and shoals?

The president took quick action when he initiated the Meese investigation, removed Vice Adm. John Poindexter as national security adviser and Lt. Col. Oliver North as deputy director of the National Security Council and established a Commission to improve National Security Council procedures. Clearly, the next step must be to get his team, as reconstituted, to play together. This means that Secretary of State George Shultz, whose integrity and ability have given him an independent base of support, must be persuaded not to resign. Secretary of Defense Caspar Weinberger and Chairman of the Joint Chiefs of Staff Adm. William Crowe must be updated on the administration's actions and persuaded to work with Mr. Shultz. White House Chief of Staff Donald Regan and the new national security assistant, to restore U.S. prestige and a perception of coherence in foreign policy.

The president should appoint these five officials and CIA Director William Casey to form a six-man Ex-

ecutive Committee of the National Security Council to close ranks with him in a joint attempt to mitigate the ensuing political carnage from attacks by congressional committees. The president should reaffirm George Shultz as the "vicar" of foreign policy by designating him chairman of the special Executive Committee. Under his chairmanship the president could be sure of the fullest possible disclosure of information to the commission investigating the NSC and to the Congress, disclosure consistent with national security, and that a coherent story will be presented to the public.

But while circling the wagons for defense, the president needs to enjoin the Executive Committee to come forward with a program to restore the perception to the world that the U.S. has a clear and consistent policy on dealing with terrorism. The president has learned that the political pressures on negotiations for the release of American hostages, whether stirred up by Americans in captivity in Lebanon or their families in the U.S., are a gentle breeze in comparison to the windstorm of protest generated by any perceived intents to pay ransom for hostages. He has also learned from the "overcharge" issue that this democratic country politically will not support any extra-legal measures no matter how justified by security considerations.

Out of this program to regain the initiative, the following public signals need to be sent through every possible channel.

- It continues to be U.S. policy to punish terrorists and to refuse to pay ransom or blackmail.

- All U.S. allies are to be encouraged to do the same.

- Collective efforts to improve the efficiency of Free World defense against and punishment of terrorists are to be accelerated — including efforts to isolate Syria, Libya and Iran, governments that foster terror.

- CIA and other covert organizations are to beef up the resources brought to bear against the faceless terrorist organizations who kidnap and murder.

- Congress is to be requested to change the law to permit retribution to be carried out inside foreign countries against individual terrorists when murders or kidnappings have

been documented.

- Notwithstanding the above, the U.S. is open to discussion with those regimes desiring to change their policies and seek rapprochement with the U.S.

- In the future the president will insure that he and the congressional intelligence committees are kept informed about all covert activity of the type that the "overcharge" represents and that however regrettable, our national security will have to stand or fall based on how well those committees keep the necessary secrets.

Vigorous promulgation of the foregoing program would not only demonstrate a cohesive and coordinated Reagan administration, it would be supported by the American people and would also help to restore the prestige of the president and the United States.